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RUEHTN/AMCONSUL CAPE TOWN IMMEDIATE 6856

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C O N F I D E N T I A L SECTION 01 OF 02 PRETORIA 001005

SIPDIS

DEPARTMENT PLEASE PASS TO A/S JOHNNIE CARSON

C O R R E C T E D C O P Y (ADDED PARA MARKINGS)

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TAGS: PGOV PREL SF

SUBJECT: A/S CARSON DISCUSSES ZIMBABWE WITH TSVANGIRAI AND
MASIYIWA

REF: PRETORIA 995

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Classified By: Political Counselor Raymond L. Brown for Reasons 1.4 (b)
and (d)

1.(C) Summary: On May 10, Assistant Secretary Carson discussed Zimbabwe with Prime Minister Morgan Tsvangirai and Zimbabwean businessman Strive Masiyiwa. Tsvangirai told Carson that the MDC is "committed to making the transition work" and appealed for additional USG support to ensure further progress. Despite positive trends, Tsvangirai said the process is still uncertain. Strive Masiyiwa was much less optimistic about the transition's level of progress. He said the ZANU-PF continues to obstruct and intimidate MDC and civil society activists and alleged that the MDC Cabinet members have not all been formally made state officials -- while some have been cooped by government issued Mercedes Benz limousines and other perquisites. Masiyiwa said it is unfortunate that Tsvangirai and Tendai Biti believe that more progress was being made than the facts justify. End Summary.

2.(C) Assistant Secretary for African Affairs Johnnie Carson was a member of the Presidential Delegation led by USTR Ron Kirk for the May 9, 2009 inauguration of ruling African National Congress President Jacob Zuma as the fourth post-apartheid president of South Africa. Carson held side meetings with a range of interlocutors to discuss topical issues in South Africa and the southern Africa region; i.e., Madagascar (reftel) and Zimbabwe. On May 10, he discussed recent developments in Zimbabwe with Prime Minister Morgan Tsvangirai of the opposition Movement for Democratic Change (MDC) and also joined a working dinner with Zimbabwean businessman Strive Masiyiwa. Carson was accompanied by Charge d'affaires Helen La Lime and Political Counselor Raymond L. Brown.

TRANSITION PROGRESS ACHIEVED BUT OUTCOME STILL UNCERTAIN

3.(C) Tsvangirai conveyed his views on the transitional arrangement and his relationship with the ruling ZANU-PF President Robert Mugabe. This collaboration was designed to provide a glide path to political stability, economic recovery and future democratic elections. He stressed that the MDC is "committed to making the transition work." He said there is a rising level of confidence in the process and

insisted that the government is making progress. He reported that the harassment, killings and detention of MDC and civil society activists have stopped. Based on this apparent progress, Tsvangirai appealed to Carson for additional USG support to ensure further progress. He claimed that the government needs \$100 million per month for the next ten months in order to stabilize the situation, to pay civil service and security personnel salaries, and to cover essential government services expenses. In addition, Tsvangirai said there is a need for balance of payments support as well as "a large line of credit." Tsvangirai critically observed that President Mugabe needs to replace or remove Reserve Bank Governor Gideon Gono and the Attorney General. He believes that Leonard Tsumba, the former bank Governor would be acceptable replacement for Gono -- and QGovernor would be acceptable replacement for Gono -- and Mugabe is likely to agree. He added that he does not believe that either Emerson Managawa or Nelson Chinamasa are a threat to new progress. Despite these largely positive trends, Tsvangirai said, "the process is still uncertain."

TSVANGIRAI --MUGABE AND ZANU-PF ARE NOT AS BAD AS ONCE THOUGHT

4.(C) Strive Masiyiwa, accompanied by Tsvangirai's former election campaign manager George Sibotshiwe, expressed a much less optimistic assessment of the transitional unity government. Masiyiwa told Carson that the ZANU-PF continued to obstruct and intimidate MDC and civil society activists and though many of them were released from jail, they were indicted for terrorism and treason and will be called to court in the future. Masiyiwa alleged that MDC members of the transitional Cabinet and Parliament have not all been formally made state officials, while some have been co-opted by government-issue Mercedes Benz limousines and other perquisites. Masiyiwa observed wryly that the

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"dollarization" of the Zimbabwean economy occurred prior to MDC Finance Minister Tendai Biti assumed his post, reducing the mega-inflation immediately to Mugabe's credit. Mugabe continues to frustrate Tsvangirai's efforts to fulfill his mandate, leaving the impression among Zimbabweans that Tsvangirai is weak and ineffectual, Masiyiwa said. He noted further that during Biti's recent visit to Washington, D.C. Biti asked the USG to remove sanctions on ZANU-PF officials and enterprises as well as provide political and financial support to his economic restructuring plan. According to Masiyiwa, Biti also made the case that progress was being made in the transitional government and USG support was critical if additional progress was to be achieved. Masiyiwa said it was unfortunate that Tsvangirai and Tendai Biti believed that more progress was being made than was justified by the facts, and he dismissed their statements that President Mugabe was not as bad as they thought he would be. To Carson's two interlocutors, this statement was evidence of Tsvangirai's lack of political acumen and his willingness to take the less than proper treatment meted out to him and his party by Mugabe's ZANU-PF. Masiyiwa was concerned that progress to reform the Zimbabwean constitution was stalled and that President Mugabe wanted the transitional authority to exist for five years rather than the original MDC demand for 18 months before new elections were held to resolve the political impasse.

LA LIME